GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:904
ANSWERED ON:27.02.2001
PRODUCTION PRICE AND QUALITY OF COAL
NAWAL KISHORE RAI;ZORA SINGH MANN

Will the Minister of COAL be pleased to state:

(a) whether the average coal produced in the country neither has the international quality nor it is competitive from price angle;

(b) if so, the reasons therefor ;

(c) the reaction of the Government thereto;

(d) whether the price of indigenous coal is more than the imported coal; and

(e) if not, the average price of coal in the country and in the international market during the year 2000 and till date, alongwith the reasons for this difference of price?

Answer

THE MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a)to(c): The quality of Indian coal is comparatively inferior due to inherent characteristics associated with its geological origin. The pit-head cost of production of Indian coal is one of the lowest in the world. However, the delivered price of domestic coal per unit of heat value becomes higher at locations far away from coalfields, due to low gross calorific value of coal, high freight charges and other additionalities.

(d)&(e) Coal is under Open General Licence(OGL) andcoal imports are not monitored by Ministry of coal. Consumers are importing coal, particularly coking coal and superior quality non-coking coal on account of inadequate availability of such coal from indigenous sources. Import of coal is also resorted to because the present level of customs duty and railway freight make such imports cost competitive per unit of calorific value on certain locations, particularly in the coastal areas.

The average price of coal in the international market is not available. The price of indigenous Run of Minecoal (Non Long flame) produced from Coal India Limited sources is as under:-

Price Range (Rs. per tonne)

Grade	Eastern Coalfields Limited/Raniganj	Mahanadi Coalfields Limited
A	1,184	912
B	1,115	819
C	939	674
D	748	566
E	524	445
F	417	351
G	296	250